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Savings Plan for Feds

By Mike Causey
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Federal workers could put 10 percent of their salaries into tax-deferred investments, with the government matching nearly 4 percent, under a supplemental civil service pension plan being considered on Capitol Hill.

Senate and House staffers are working on a supplemental retirement plan to present to members of the Senate Governmental Affairs Committee and the House Post Office-Civil Service Committee.

Congress has until the end of May to set up a new retirement system for the more than 300,000 federal and postal workers who were hired since January 1984 and are fully covered by Social Security.

The Senate and House have approved new retirement plans for those new workers. But because of different benefit features, a compromise must be worked out.

Committee staffers have been working for months on proposals that their bosses will be able to accept in the conference. Any new plan would be mandatory only for workers hired since 1984.

Pensions under the new plan would be based on Social Security, a modified civil service benefit and earnings from the voluntary investment plan, which would be similar to 401(k) saving plans used in the private sector.

The White House is nervous about how the investment program would be invested and who would manage it, for it could grow quickly to billions of dollars. It also wants the cost of the pension plan kept at or below 22 percent of payroll.

Staffers are still working on cost features. But insiders say they have tentatively agreed on the investment portion of the package.

In the plan being worked out, the government would invest 50 cents for every dollar that employees put in, up to 6 percent of salary. Workers also

would be able to put another 4 percent of pay into the fund. That money would earn interest and would not be taxed until it was withdrawn.

Money-Savers

Thirty-four federal people were honored this week for making suggestions or developing programs that will save the government money, estimated at \$270 million a year in their case. Vice President George Bush spoke at Monday's awards ceremony at the Office of Personnel Management.

Winners are: **Morgan Birge II**, Defense Intelligence Agency; **Robert J. Boswell**, **Ernest J. Czyryca**, **Robert D. Rockwell** and **Angelos Zaloumis** of the David Taylor Naval Ship Research and Development Center; **Christopher G. Conrad**, Naval Air Rework Facility; **Virgil L. Conrad**, Agriculture; **James R. Dinkins**, **Kenneth N. Cole**, **Charles L. Crowder Jr.**, **Joseph Getsug**, **Robert R. Moore Jr.** and **Jimmy H. Wilson**, National Aeronautics and Space Administration.

Also, **James L. Durham**, **Robert A. Gaddy**, **Norman W. Lager**, **Daniel K. McCrady** and **John A. Smith**, IRS; **Allen Easterday**, Defense Contract Audit Agency, **Herman L. Engle** and **Charles E. Anderson**, Army Armament, Munitions and Chemical Command; **Alfonso D. Esposito** and **Michael A. Hupfer**, Health Care Financing Administration; **Phyllis A. Gardner**, Justice Department, Retired Air Force Chief Master Sergeants **Donald H. Holloman** and **Julius V. Jurek**.

Also, **Jack L. Justice**, Federal Highway Administration; **Reis R. Kash**, U.S. Marshals Service; **Arthur E. Luedtke**, Federal Communications Commission; **James D. Murphy**, Agency for International Development; **Donald E. Parker**, Defense; **Wayne A. Railsbeck**, **Victor L. Reddle** and **Jean Janzegers**, CIA, and Bureau of Engraving and Printing's **Michael J. Smith** and **Howard V. Grubb**.